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PP RUEHCHI RUEHDT RUEHHM
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ZNR UUUUU ZZH
P 011147Z MAY 06
FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC PRIORITY 3526
INFO RUEHXS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUEHBY/AMEMBASSY CANBERRA 9378
RHEHNSC/NSC WASHDC
RHHMUNA/USCINCPAC HONOLULU HI
RUEHGV/USMISSION GENEVA 7338
RUEKJCS/DOD WASHDC
RUEHC/DEPT OF LABOR WASHDC

UNCLAS SECTION 01 OF 03 JAKARTA 005486

SIPDIS

SENSITIVE
SIPDIS

DEPT FOR EAP/MTS AND DRL/IL
DEPT OF LABOR FOR ILAB

E.O. 12958: N/A

TAGS: [ELAB](#) [ECON](#) [EINV](#) [PGOV](#) [PHUM](#) [KJUS](#) [ID](#)

SUBJECT: UNIONS USE MAY DAY TO CONTINUE PROTESTS AGAINST
LABOR REFORM

REF: A. JAKARTA 4465 - GROWING WORKER PROTESTS
[1](#)B. JAKARTA 3563 - INVESTMENT CLIMATE PACKAGE
[1](#)C. JAKARTA 1645 - AMBASSADOR DISCUSSES LABOR REFORM

Summary

[1](#)1. (SBU) Indonesian unions used May Day to continue their street protests in Jakarta and other major cities against earlier government plans to amend the 2003 Manpower Act to improve the investment climate. United firmly against any revisions to the law, labor leaders turned out 30,000 or more demonstrators, many of whom came in from Jakarta's industrialized satellite areas. The protests at the Palace, Parliament and major thoroughfares remained peaceful through late afternoon when a heavy rainstorm prematurely ended the street action. The GOI took no chances in the capital and organized a massive security presence of some 21,000 personnel. In the run-up, Jakarta's police chief spoke of using deadly force to stop violence, sparking some controversy. With more than 10,000 demonstrators at the gates, parliament members sided with unions and pledged not to pass any amendments. Indonesia's largest union confederation has planned another major protest in Jakarta for May 3. With the Government on the defensive and timid in the face of protests, and parliament members siding with the unions, amending the Manpower Act any time soon appears increasingly difficult. End Summary.

Unions Follow "Success" of April Demonstrations

[1](#)2. (SBU) Tens of thousands of protestors joined in large union-led May Day demonstrations in Jakarta and other major cities, continuing protest actions against the Yudhoyono Administration's earlier plans to revise the 2003 Manpower Act. The May 1 demonstrations followed the unions' perceived success in halting the amendments, which stand at the center of the GOI's 2006 investment policy package. The revisions would create greater labor market flexibility by bringing matters such as severance pay, contract labor and outsourcing more in line with Indonesia's economic competitors. Organized labor has united firmly to reject any changes. In the aftermath of some 20,000 workers demonstrating in the capital on April 5 against the amendments, President Yudhoyono agreed on April 7 to refer the labor law to academics and tripartite negotiations, rather than introduce government-drafted amendments to the House of Representatives

(DPR). Government officials, showing themselves on the defensive, questioned why unions would proceed with May Day demonstrations when they had already won the point in April.

May 1 Turnout 30,000 Plus in Jakarta

13. (SBU) The May 1 demonstrations in Jakarta featured some 30,000 or more protestors, according to our own partial observations, police statements and media accounts. If this preliminary estimate holds, the May 1 protests would be somewhat larger than the April 5 demonstrations. Union organizers inflated their estimates of attendance, with some claiming as many as 200,000 on the streets. Unions bussed in many of the protestors from Jakarta's satellite industrial areas, raising some questions about possible outside funding for the protest. Two umbrella labor confederations, the Indonesian Prosperity Trade Union (SBSI) and the Indonesian Trade Union Congress (KSPI) represented most of the unions participating in the May Day action. Indonesia's largest confederation, the All-Indonesia Trade Union Confederation (SPSI) did not endorse the May 1 protests, planning instead to hold its own demonstrations on May 3.

14. (SBU) The DPR and the major round-about by Hotel Indonesia attracted two large concentrations of protestors, each numbering perhaps 10 to 15,000. Those assembled by Hotel Indonesia marched to the presidential palace early in the afternoon. A smaller protest took place outside the Manpower Ministry. Workers carried banners calling for rejection of the Manpower amendments and criticizing world capitalism. As of late afternoon, demonstrations in the capital proceeded peacefully, apparently avoiding the

JAKARTA 00005486 002 OF 003

destruction of public property that marred the April 5 action. The only confrontation reported was at the Sukarno-Hatta International Airport, where workers attempted to block a back access gate. A heavy rainstorm struck the city mid-afternoon, dousing workers' cries and prematurely ending most of the street action.

GOI Calls Out Heavy Security Presence

15. (SBU) In the face of rumors and union leaders' claims of 100,000 or more workers headed into Jakarta, and loose talk of a nationwide strike, the GOI took no chances in the run-up to the May 1 demonstrations. With President Yudhoyono (SBY) away in the Middle East, Vice President Jusuf Kalla and Jakarta Governor Sutiyoso both noted that SBY had left the capital in their capable hands to ensure law and order. The Home Affairs Minister issued instructions to all governors to ensure order. Police called a Level One alert, putting two-thirds of police officers on duty nationwide. Jakarta police chief Firman Gani spoke firmly about stopping any violence, and repeatedly discussed "shoot on sight" procedures should chaos break out. Police comments drew sharp criticism and concern from labor leaders, who offered reassurances of orderly protests. Jakarta police announced that the government had deployed over 21,000 security personnel, including a reserve of 5,000 soldiers, to guard the capital. By the morning of May 1, Jakarta's main thoroughfares featured large numbers of uniformed police and public order personnel. Numerous plainclothes officers also mixed with the crowds and onlookers.

DPR Caves In Before Sea of Protestors

16. (SBU) The 10,000 or more demonstrators at the DPR gates achieved their desired political victory. Speaking via megaphone to the sea of protestors before the parliament building, Ribke Tjiptaning, chair of the DPR's Commission IX that handles labor issues, reportedly announced to the

workers that the DPR "rejects the Government's plan to revise the law," and would not take up discussion of any changes. "We'll tear up any papers the Government sends to us," Ribke told cheering workers. DPR Deputy Chairman Zaenal Ma'arif reinforced this statement. Earlier in the day, DPR Chairman Agung Laksono commented that the Government must rethink its plans to amend the Manpower Act.

Yudhoyono Thanks Workers For Maintaining Order

17. (SBU) As protests drew to a close, Vice President Kalla conveyed to reporters President Yudhoyono's appreciation to the workers for conducting themselves in a peaceful manner. Kalla added that he did not believe the DPR had formally decided to reject any possible amendments, saying it would be premature as these remained under study and the Government had not decided on any recommended changes.

Another Large Protest Planned for May 3

18. (SBU) Indonesia's largest union confederation, SPSP, plans its own demonstration in Jakarta May 3 and has called for a similarly large turnout. The focus of the protest action will be the DPR, according to one senior SPSP official. SPSP was the leading union organizer behind the April 5 protests, the largest in four years until today. SPSP, the successor to the Suharto era union body, did not join the other confederations on May 1 in part because it rejects the socialist connotations of May Day.

Comment

19. (SBU) Unions turned out a respectable showing May 1, surpassing the April 5 rallies in terms of numbers and scoring a political victory at the Parliament. However, the extensive media build up reinforced by the GOI's obsessive security precautions ensured the nation's fixation on the

JAKARTA 00005486 003 OF 003

union rallies, more so than the 30,000 plus demonstrators on the streets of the capital. Some DPR members' preemptive surrender to the union perspective will further complicate Yudhoyono's efforts to amend the Manpower Act. With the Government on the defensive and timid in the face of protests, and some DPR leaders already siding with organized labor, passing the labor law amendments -- the centerpiece of the current investment package -- appears increasingly difficult.

PASCOE